

BEFORE THE
POSTAL REGULATORY COMMISSION
WASHINGTON, D.C. 20268-0001

COMPETITIVE PRODUCT PRICES
PRIORITY MAIL EXPRESS INTERNATIONAL,
PRIORITY MAIL INTERNATIONAL &
FIRST-CLASS PACKAGE INTERNATIONAL SERVICE CONTRACT 1

Docket No.
MC2020-97

COMPETITIVE PRODUCT PRICES
PRIORITY MAIL EXPRESS INTERNATIONAL,
PRIORITY MAIL INTERNATIONAL &
FIRST-CLASS PACKAGE INTERNATIONAL SERVICE CONTRACT 1
(MC2020-97)
NEGOTIATED SERVICE AGREEMENT

Docket No.
CP2020-101

**RESPONSE OF THE UNITED STATES POSTAL SERVICE TO
CHAIRMAN'S INFORMATION REQUEST NO. 1**
(March 12, 2020)

The United States Postal Service hereby provides its response to Chairman's Information Request No. 1, issued on March 6, 2020.¹ A response was due no later than March 13, 2020. Question 1 is stated verbatim and followed by the response. The Commission filed Questions 2, 3, and 4 under seal, so the Postal Service is filing its responses to those questions under seal and relies upon the Application for Non-Public Treatment that the Postal Service filed in these dockets on March 3, 2020.²

¹ Chairman's Information Request No. 1 and Notice of Filing Under Seal, Docket Nos. MC2020-97 and CP2020-101, March 6, 2020.

² USPS Request to Add Priority Mail Express International, Priority Mail International & First-Class Package International Service Contract 1 to Competitive Product List and Notice of Filing Materials Under Seal, Docket Nos. MC2020-97 and CP2020-101, March 3, 2020.

Respectfully submitted,

UNITED STATES POSTAL SERVICE

By its attorneys:

Anthony F. Alverno
Chief Counsel
Global Business and Service Development
Corporate and Postal Business Law Section

Christopher C. Meyerson
Valerie J. Pelton
Attorneys

475 L'Enfant Plaza, S.W.
Washington, D.C. 20260-1137
(202) 268-3049; Fax -6981
valerie.pelton@usps.gov
March 12, 2020

**RESPONSE OF THE UNITED STATES POSTAL SERVICE
TO CHAIRMAN'S INFORMATION REQUEST NO. 1**

1. Based on the proposed Mail Classification Schedule (MCS) language submitted by the Postal Service, it appears that the Postal Service intends for this contract and any follow-on Priority Mail Express International, Priority Mail International & First-Class Package International Service Contracts to each be their own product. See Request, Attachment C. This differs from other international negotiated service agreement (NSA) products where the initial contract is a baseline agreement and subsequent functionally equivalent products are included in the same product.
 - a. Please confirm that the Postal Service intends for each NSA filed in the proposed MCS grouping "Priority Mail Express International, Priority Mail International & First-Class Package International Service Contracts" to be its own product. If confirmed, please explain the Postal Service's reasons for filing this international NSA differently than other international NSAs, and answer question 1.b. If not confirmed, please explain.
 - b. If the answer to question 1.a is "confirmed," please explain the extent to which the Postal Service intends to continue filing international NSAs as separate products.

RESPONSE:

- a. Confirmed. The Postal Service filed this international NSA differently than other international NSAs for the following reasons.

As part of an effort to streamline internal practices, the Postal Service sought in this docket to establish a practice of filing international NSAs that is more consistent with the practices employed with the filing of domestic NSAs, in which domestic NSAs are filed as separate products.³ The benefits of showing that a particular new agreement is functionally equivalent to another agreement, perhaps executed several years ago, has less value when the number of agreements involved begins to mount. While the Postal Service intends to continue to justify some agreements (particularly for inbound services) using

³ Thus, the initial filing in this docket is very similar to the recent USPS Request to Add Priority Mail Express, Priority Mail, First-Class Package Service & Parcel Select Contract 1 to Competitive Product List and Notice of Filing Materials Under Seal, Docket Nos. MC2020-74 and CP2020-73, December 13, 2019.

**RESPONSE OF THE UNITED STATES POSTAL SERVICE
TO CHAIRMAN'S INFORMATION REQUEST NO. 1**

traditional functional equivalence justifications, the Postal Service believes that both it and the Commission do not need to aggregate most customer agreements for mail classification purposes. This results in greater simplicity and efficiency of internal operations, and mitigates differences in the way that customers' agreements are administratively reviewed for both domestic and international services.

- b. If the Commission favorably reviews the request that is the subject of this docket, the Postal Service plans to file subsequent agreements that provide discounts for Priority Mail Express International, Priority Mail International & First-Class Package International Service as separate products in MCS section 2510.15, numbering each contract sequentially. In addition, in the future, the Postal Service plans to request the Commission to establish additional MCS sections to replace the GEPS 8, GEPS 10, and GEPS 11 products, and the Postal Service plans to file each contract as a separate product within those new MCS sections.